

Market Musings 12.30.25

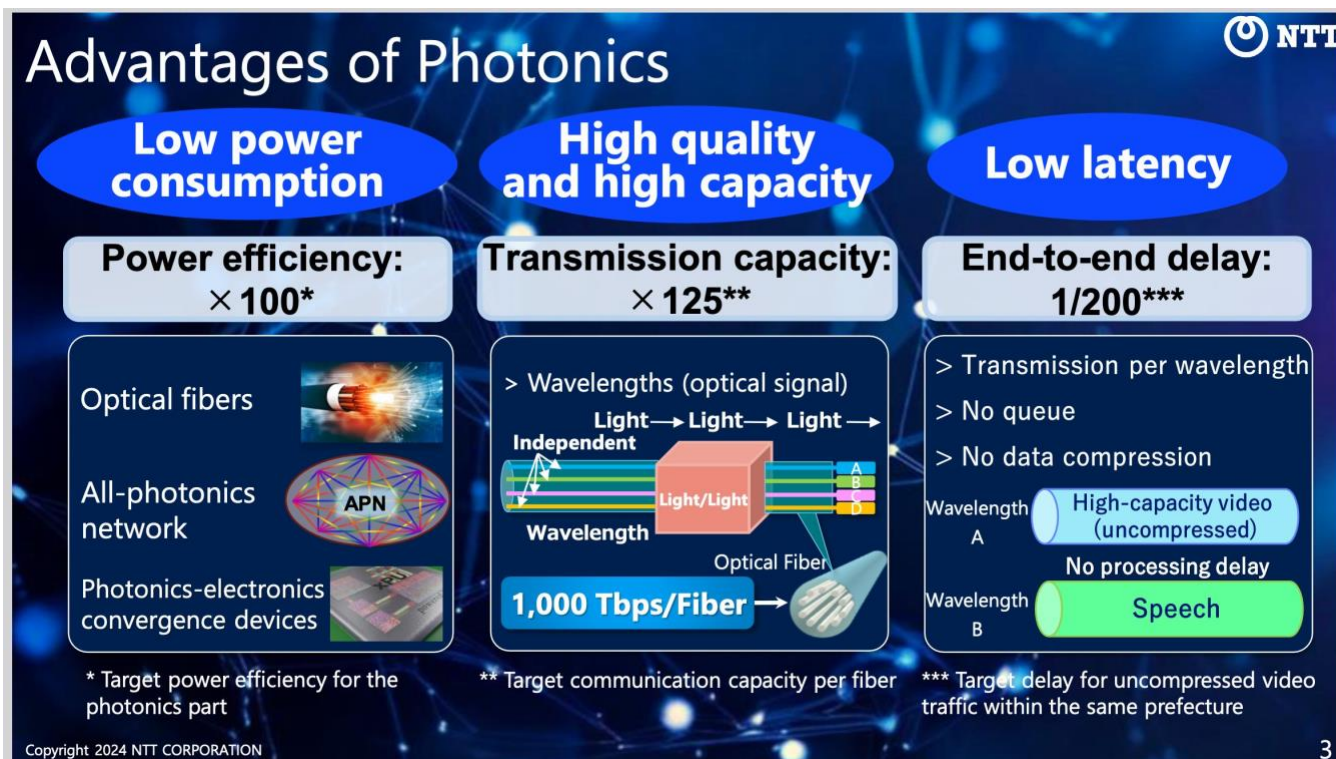
December 30, 2025/by Jonathon King

Greetings ChartWizards,

Thank you for your patience and grace over the last couple of weeks.

I got a call from my younger brother, and he said “Jono, it’s time to come home.”

I jumped on the next available flight from Denver and was able to spend a full day with my grandfather before he passed away at the age of 91. “Poppy,” as we called him – was a loving husband to my grandmother for 68 years. He was a proud Navy man, and I was honored to write his obituary. If interested, you can read it [here](#). We will miss him, and our memory of him is a blessing.



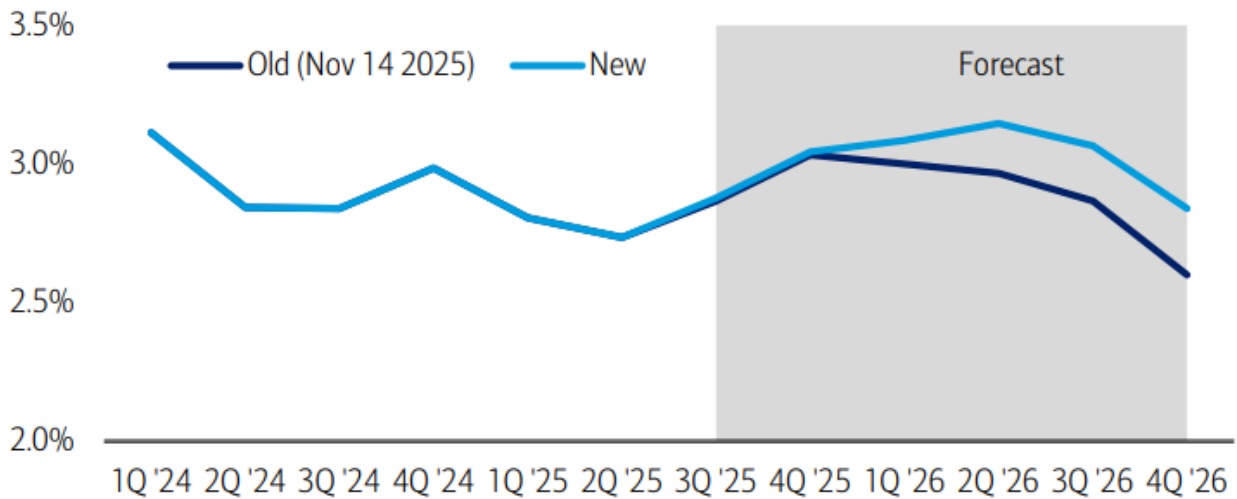
Year-End Macro Update

According to Axios, **inflation** was the dominant headline theme in 2025. For market participants, this reflects growing concern about *real* returns on future investments, as higher inflation erodes purchasing power. It also signals fears of weaker consumer spending and sentiment, as well as heightened uncertainty around the future path of interest rates.

Bank of America just **raised** its inflation forecast for 2026.

Exhibit 1: Our revised forecasts see stickier inflation next year

Core PCE inflation (quarterly, % y/y)

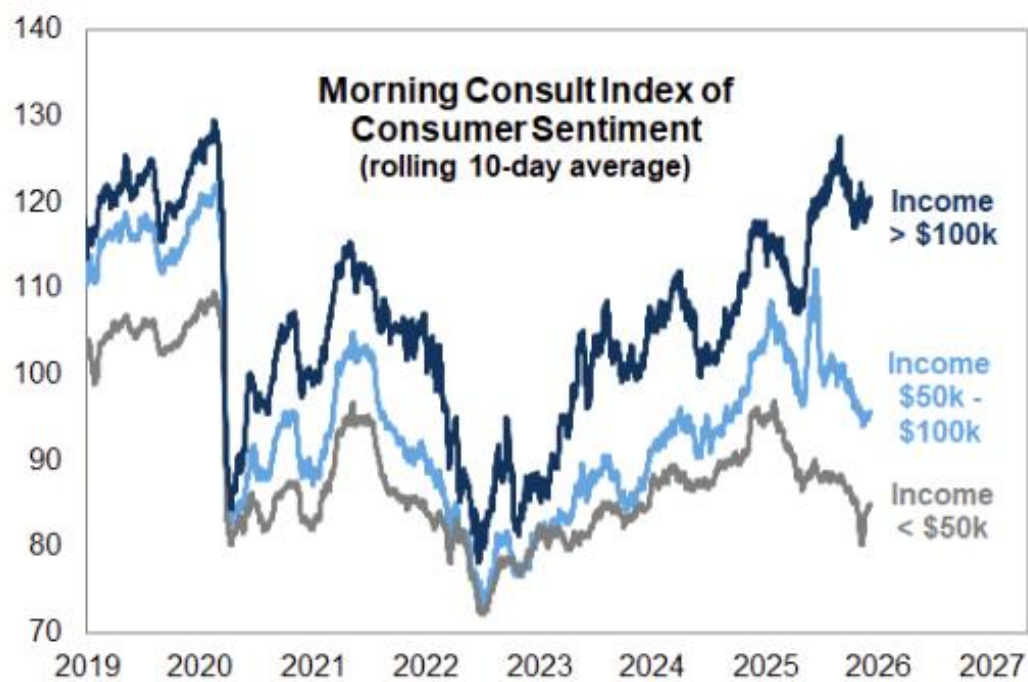


Source: Bureau of Economic Analysis, BofA Global Research

BofA GLOBAL RESEARCH

This chart (below) from Goldman shows the **disparity of sentiment** by income.

Exhibit 3: Consumer sentiment varies widely by income cohort



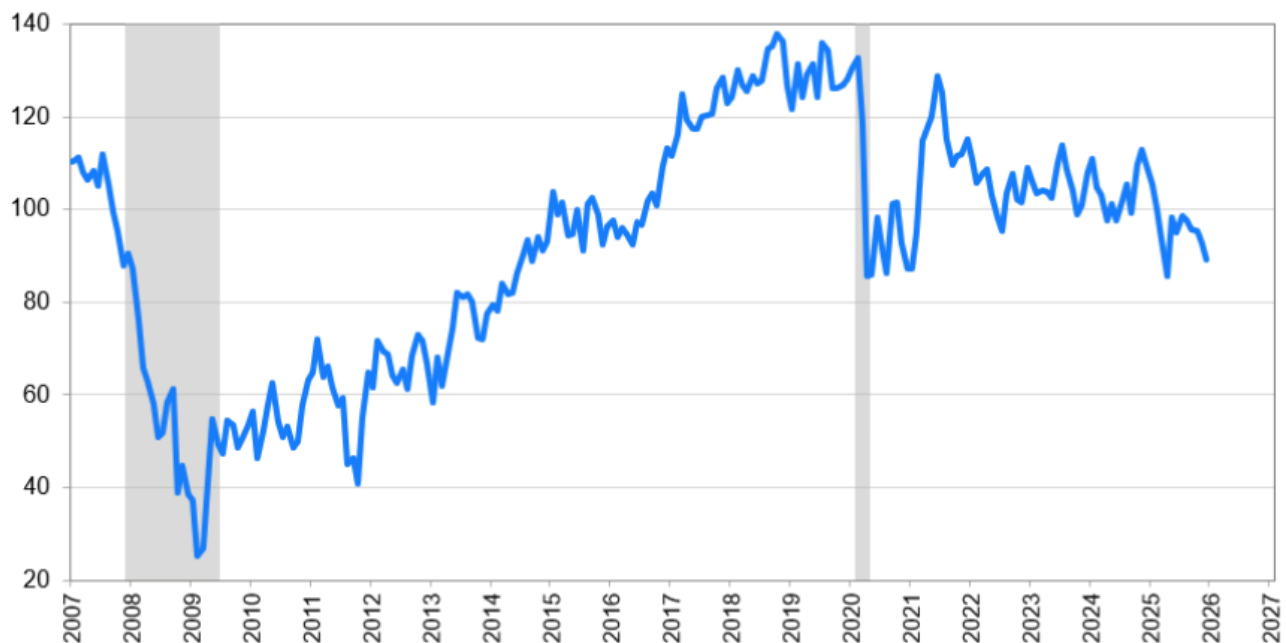
Source: Morning Consult, Goldman Sachs Global Investment Research

Consumer confidence at its lowest level of the decade.

“Despite an upward revision in November related to the end of the shutdown, consumer confidence fell again in December and remained well below this year’s January peak. Four of five components of the overall index fell, while one was at a level signaling notable weakness,” said Dana M Peterson, Chief Economist, The Conference Board.

Consumer Confidence Index®

Index, 1985 = 100



*Shaded areas represent periods of recession.
Sources: The Conference Board; NBER
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Part of the reason for higher near-term inflation expectations is the **risk-based rally in crude oil prices** over the last week. Crude oil sits at the foundation of the global cost structure and feeds directly into transportation, manufacturing, agriculture, and consumer goods. This is why energy prices are tied to national inflation.

When oil rises quickly, inflation expectations often move with it, even before higher prices fully pass through to end consumers. The latest move appears risk-premium driven, as renewed **U.S.–Venezuela tensions threaten global supply** ([YT](#)).

barchart

Crude Oil Prices Supported by Global Geopolitical Risks

Dec 30, 2025, 09:33 GMT-7 · 4 min read



Peter Brandt recently pointed out a potential bear-trap and bullish **End-Around** in crude oil futures. Sitting near support of \$50 – \$55 per barrel, oil prices are at an inflection point. The End-Around only confirms if prices close **above** the upper boundary.



FactorMembers @factor_members · 22h

Factor team member @jonbking JK's favorite pattern - the end around
Opinion, JK?



JK @jonbking

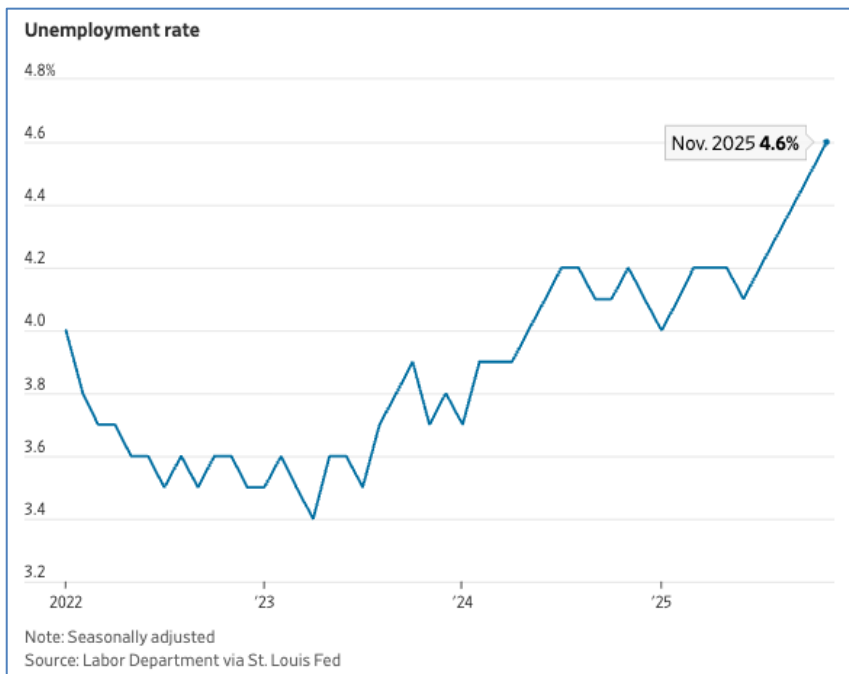
It's essentially a high-probability trap on a failed pattern completion.

Price appears to breakout one way (e.g., downside here), then reverses sharply, wrapping around the pattern by breaching and closing above the opposite boundary. Confirmation on close above.

Unemployment

“No single number better captures the health of the economy than the unemployment rate. It represents the share of the labor force looking for work but unable to find it.”

– Greg Ip, Little Book of Economics

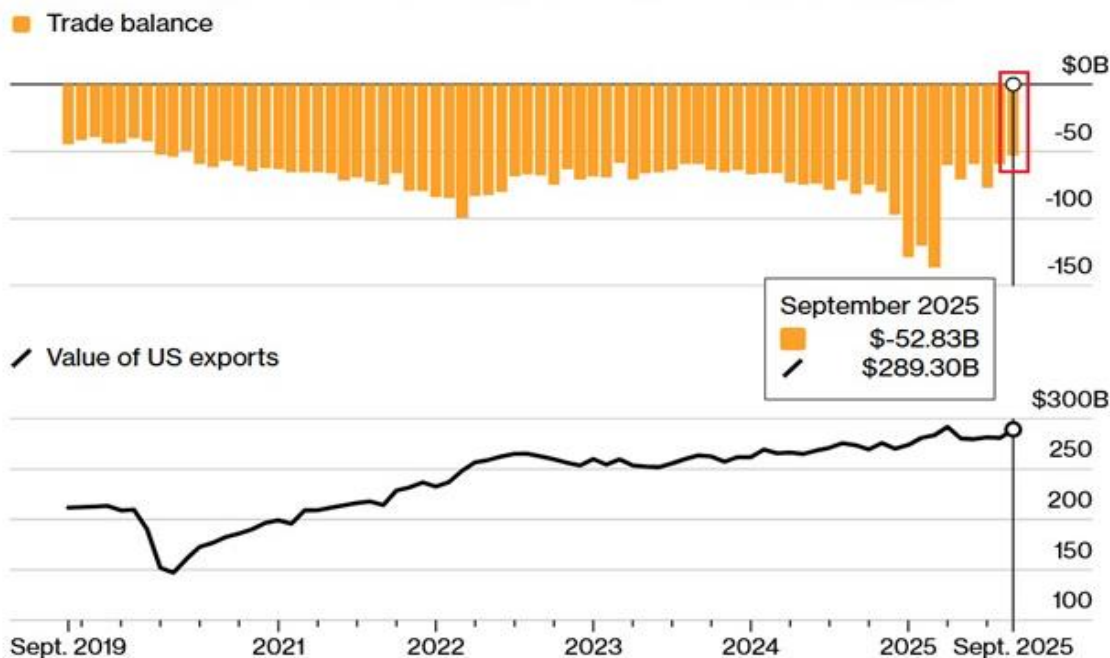


Trade

The US Trade deficit fell to its smallest since 2020 (this is good). The decline was due to the increase in the price of gold and new export controls related to pharmaceuticals.

US Trade Deficit Shrinks to Smallest Since 2020

Surge in gold, pharmaceutical exports helped narrow trade gap



Silver

\$SLV, the largest physical-backed **silver** ETF, has increased holdings of silver, reflecting accelerating retail demand.

China recently announced export restrictions on silver starting January 1; the country is a net exporter of refined silver. Routing the supply through state permissions reframes silver as a *strategic metal* instead of just an industrial input or safe haven in the traditional sense.

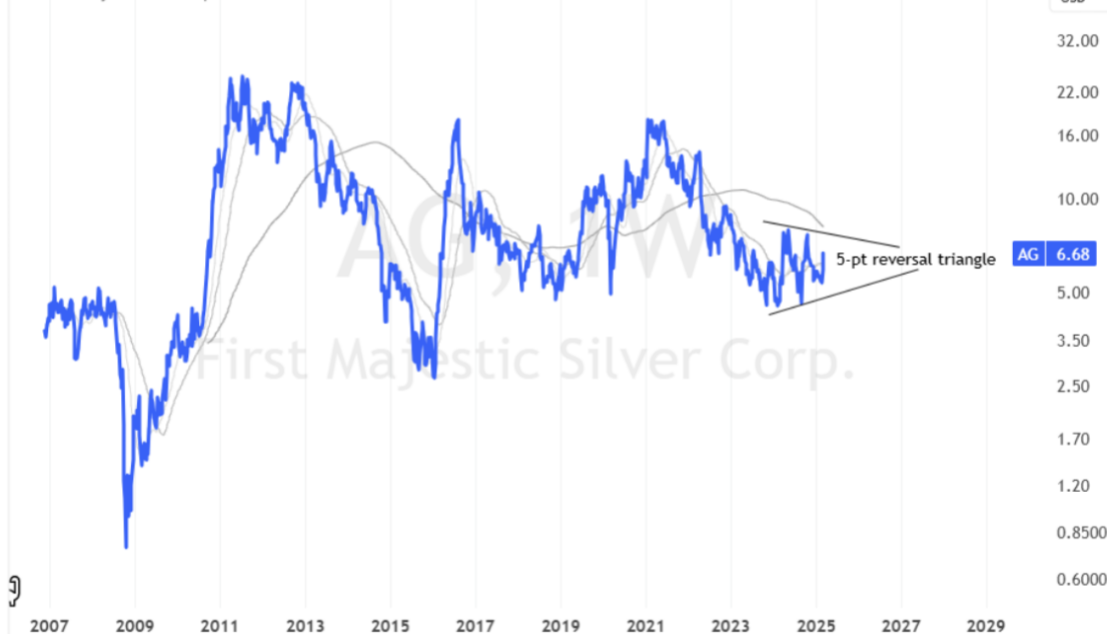
For those of us paying attention to charts, we knew to expect fireworks before the media outlets told us anything; see this snippet from **my post in March 2025 (link)**.

Silver Related Stocks Show Promise

First Majestic Silver Corp – \$AG (NYSE) – Five point reversal triangle potential that breaks out above \$8.00. I've had my eyes on this chart for a few weeks now and will buy the breakout – if and when.

jBTCKingaling published on TradingView.com, Mar 13, 2025 15:58 UTC-5

AG - First Majestic Silver Corp. - 1W - NYSE

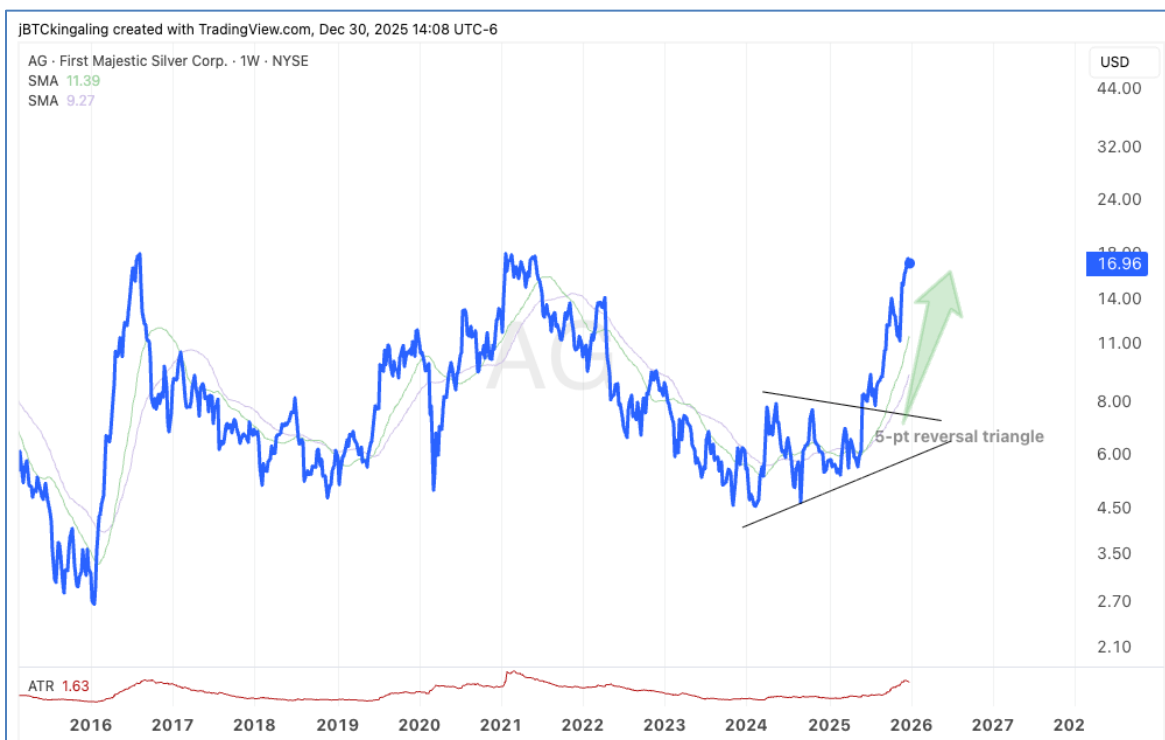


TradingView

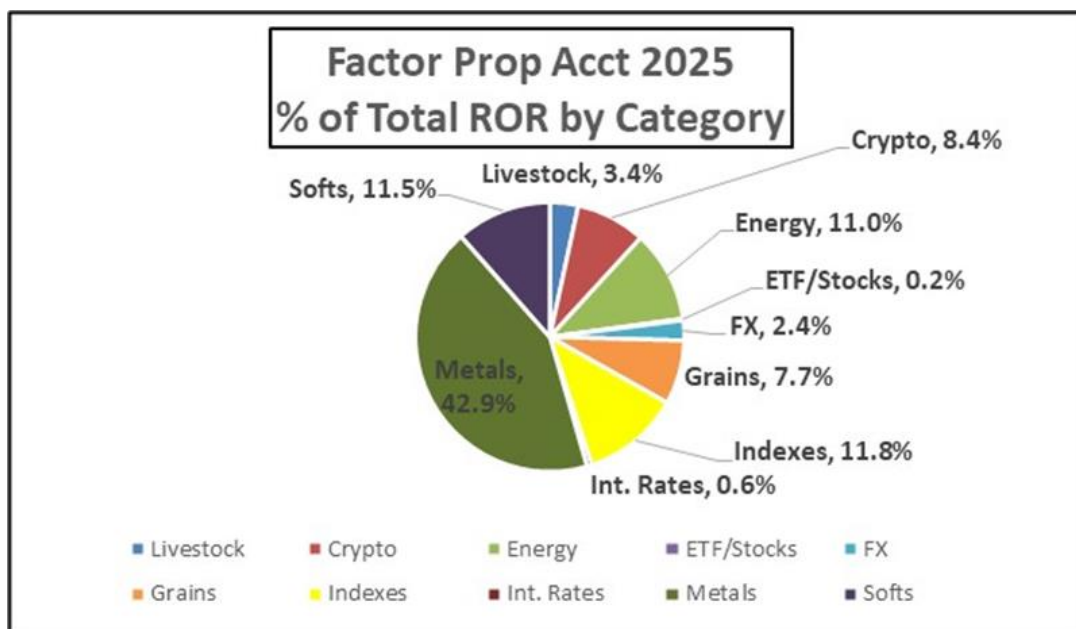
Check out this symmetrical triangle in \$DBB – Invesco Base Metals ETF.



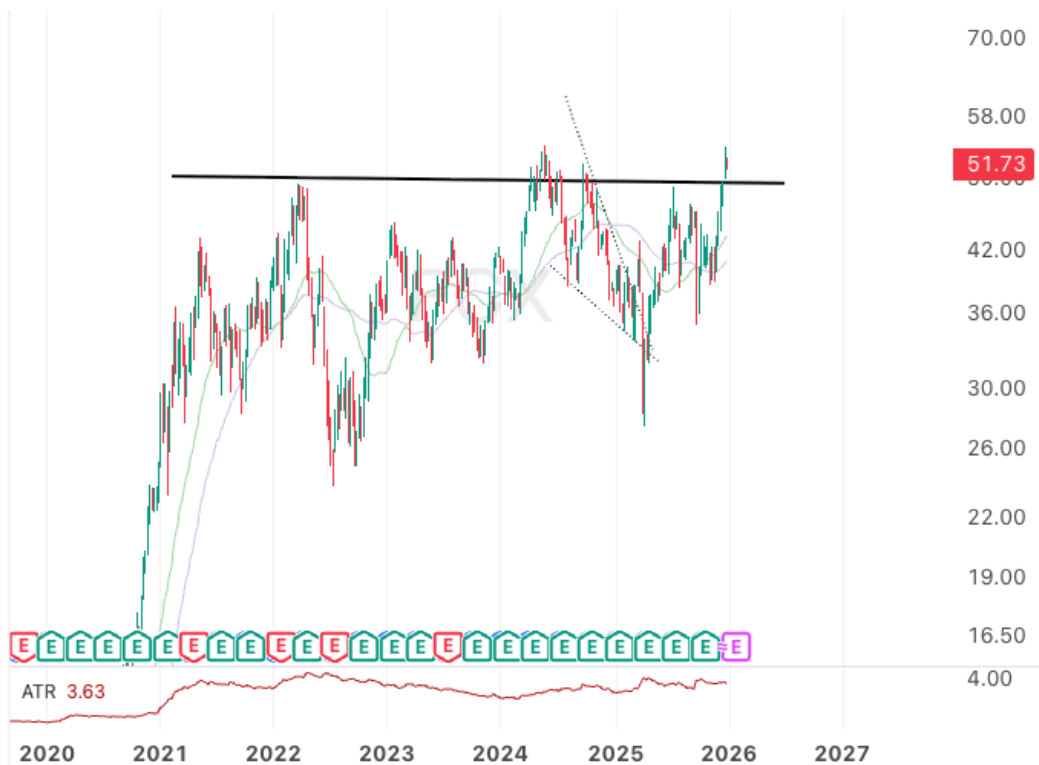
Since that post in March, \$AG has gained \$10 per share, from \$6.50 to \$16.50.



Taking those trade signals (and perhaps some Gold) is how you end up with a %ROR report that looks like Peter Brandt's. More importantly, it's about cutting the losers and letting winners **like silver and gold run**.



The Freeport (FCX) chart remains constructive and is tied to copper and metals mining and refining. This stock is trading at \$52, multi-year resistance. There is a big potential here, with the pattern depth equating to roughly 50% of the share value today.



On Equities (Technology)

There are only a few times the S&P500 Price-to-Earnings ratio was this high.



Going Forward...

Here are some of my favorite trade ideas, chart setups and special situation opportunities.

“Next-generation information and communications infrastructure.”

Although modern fiber-optic cables transmit data at extraordinary speeds, a hidden inefficiency remains inside data centers. Photons must be converted into electrical signals and processed by servers; this consumes enormous amounts of energy.

The Institute of Electrical and Electronics Engineers (IEEE) highlighted a potential breakthrough in the “picks and shovels” of the A.I. buildout; Japanese telecom firm NTT, in partnership with Toshiba, describe **photonics** as the “next generation information and communications infrastructure.”

- 50% less power consumption of copper wires
- 20-30% improvement in data latency

On December 15, 2025, the US Commerce Department announced \$4.5 billion in grants to Intel (\$INTC) and TSMC (\$TSM) **for photonic-capable fabs**, citing AI and data center needs. These project fundings are public information on the DOC website.

San Jose	CA	New Facility	Semiconductors	Indium Phosphide photonic integrated circuits	Source
Bethlehem	PA	New Facility	Packaging	Advanced test and packaging of Indium Phosphide photonic integrated circuits	Source
Wichita	KS	New Facility	Packaging		Source
Chandler	AZ	New/Modernization	Semiconductors	Leading-edge logic, including Intel 18A	Source

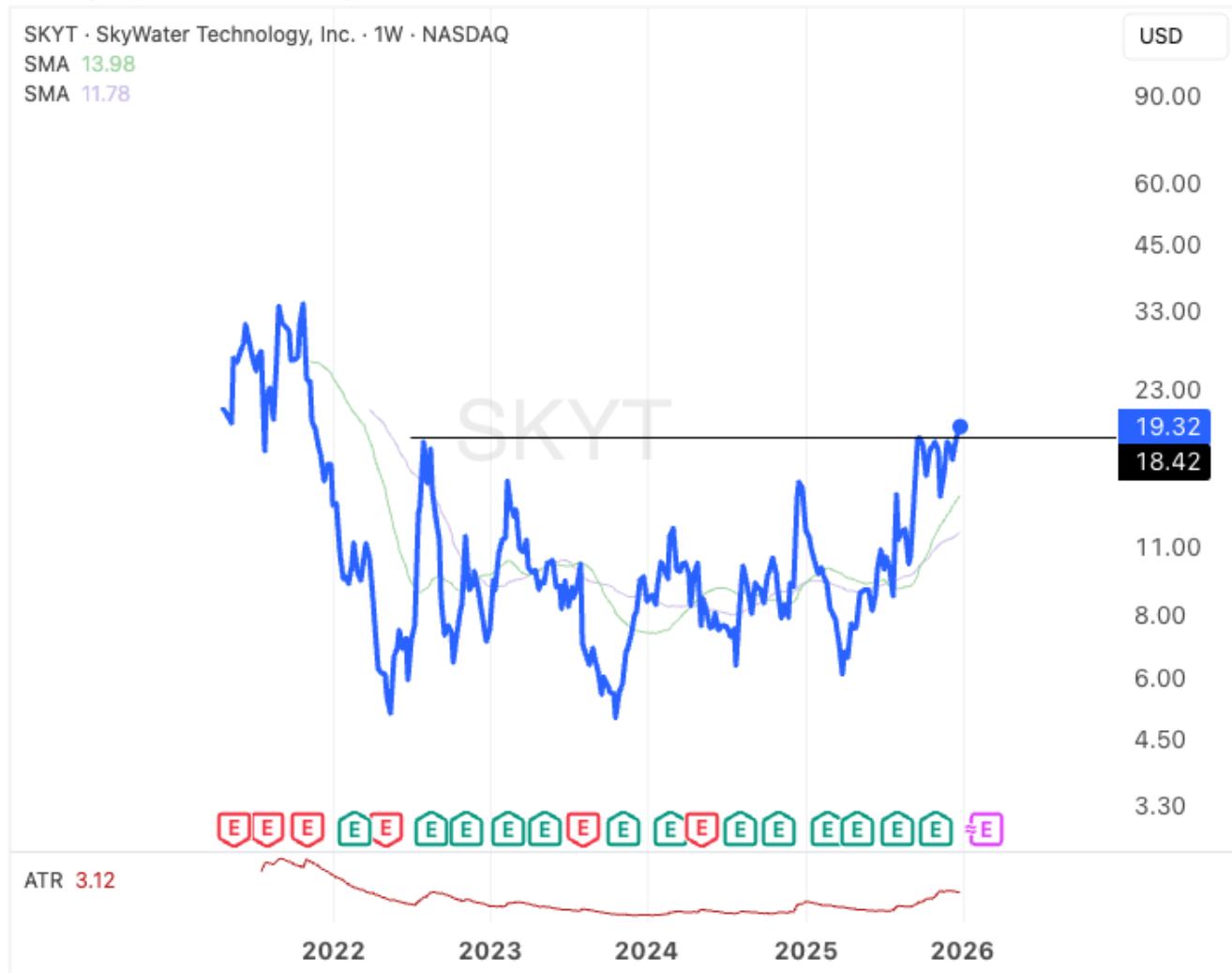




ASX is in a strong uptrend with a “flat” top at \$16.20.

- Companies That Package Advanced Chips (\$**ASX**, \$AMKR)
- Hardware That Sends Data as Light (\$COHR, \$LITE, \$AAOI)
- Networking Gear (\$ANET, \$CSCO, \$HPE, \$DELL)
- Factories That Build Optical Silicon (\$TSM, \$INTC, \$GFS, \$STM, \$**SKYT**):
- Chips That Process Light (\$INTC, \$AVGO, \$NVDA, \$MRVL, \$CRDO, \$ALAB, \$CSCO, \$NOK, \$LITE, \$POET)

jBTCkingaling created with TradingView.com, Dec 30, 2025 13:04 UTC-6



TradingView

SKYT completed a Common Turn (reversal), now forms Continuation Pattern.

- SKYT spent **multiple years (2022–2024)** Declining → flattening → rising
- No V-bottom, no panic low, no climax

This exactly matches Schabacker’s description of a common turn:

“Changes in technical condition do not generally take place overnight...”

The chart shows:

- A slow **loss of downside momentum**

- Increasingly higher reaction lows
- Rounded *behavior*, not a rounded *pattern*
- Sellers dominate early (downtrend)
- Power equalizes (long congestion)
- Buyers slowly gain control (rising lows into resistance)

That **~18.40–19.30 zone**:

- Has capped price **multiple times across years**
- Acts as **major horizontal resistance**
- Price is now **through it on a weekly close**.

The moving averages also don't act as a trade signal by themselves, but they reflect a shift in trend direction.



The daily chart displays a rare 3-month Diamond. While most diamond patterns form as Tops, I will take no action until further confirmation of the direction; **a decisive close above or below the pattern boundary**.

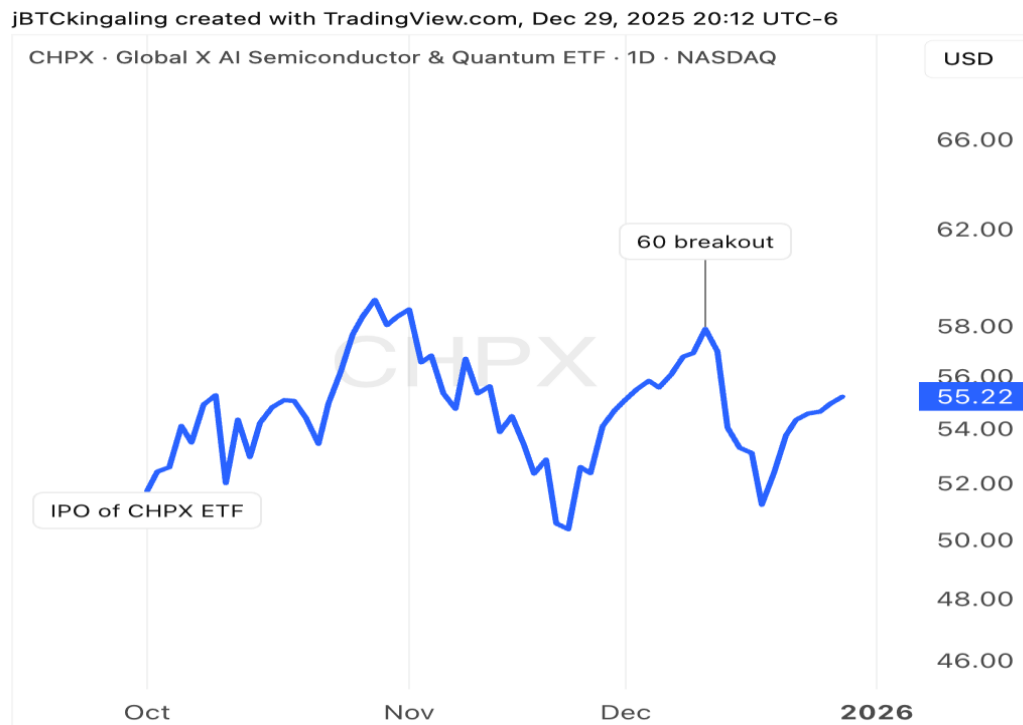
The closing price line looks more like a continuation pattern. The trend is up, and I want to trade in the direction of the trend.

- The European Commission proposed a €10 billion fund for energy-efficient tech, including **photonics**, following NTT's 50% power savings data from the IEEE report.
 - Firms like \$COHR and \$LITE have European presence; global equities (MSCI) stronger than U.S. equities Y/Y
 - Stocks with green tech patents (\$AAOI) could outperform

Risk to monitor: China-U.S. export policy & restrictions

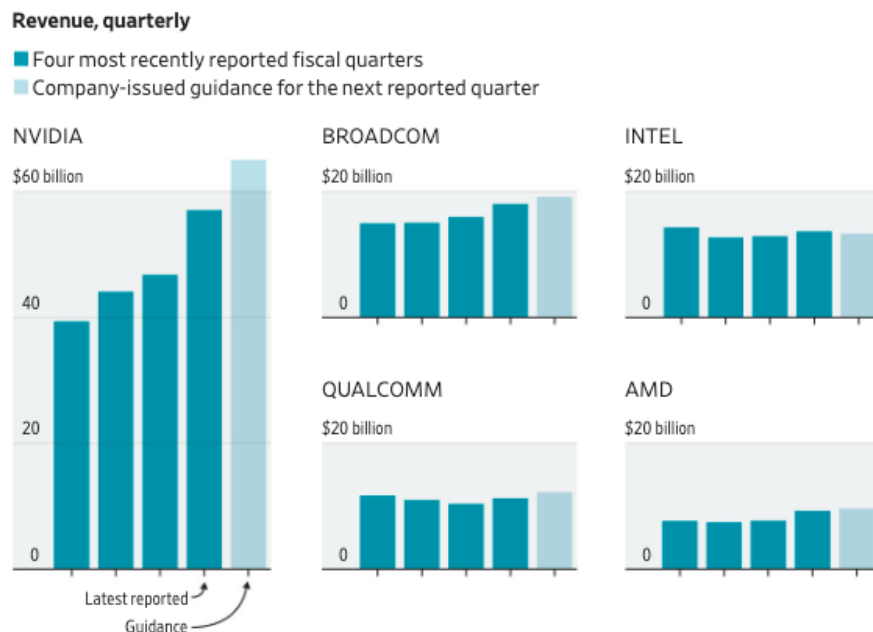
Read more: <https://spectrum.ieee.org/top-semiconductor-stories-2025>

If individual stocks aren't your thing, **CHPX** is a global "semiconductor and quantum ETF". While a "new chart", the case can be made for a breakout at \$60 (new highs).



NVDA

Guidance raised to a mind-blowing +\$60 Billion quarterly revenue (new record).



The price chart doesn't excite me (not shown), but I am "bullish" the company.

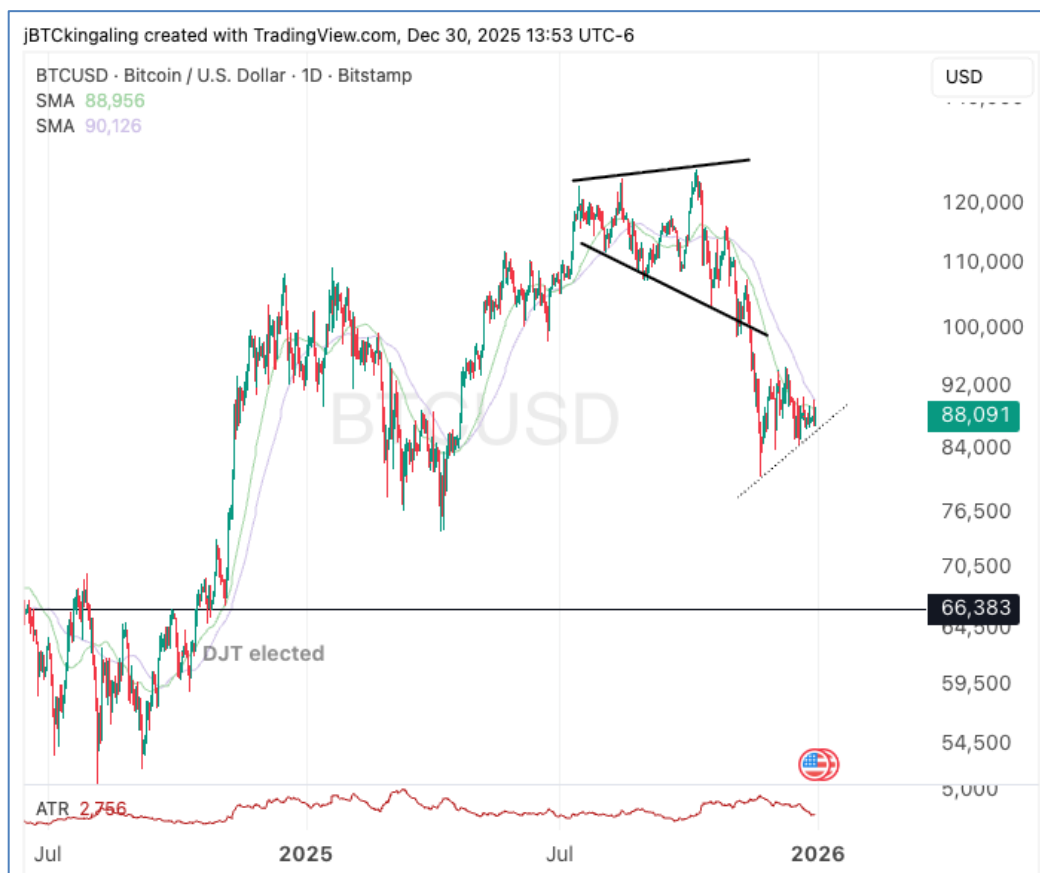
I'm still long **RIVN** on the coil break at ~\$16.25, as discussed in recent reports. My target is \$27, and I have 1/2 of position remaining after taking an initial profit after a strong thrust higher.



The dominant pattern at play in Bitcoin +crypto remains the **Broadening Top** – this was covered in reports and YouTube videos since Q4 '25.

Between \$80 – \$95K is the bulls last stand. On the downside, \$66- \$75K is the DJT election – breakout level support. At least that's when all of those supposed "legislative tailwinds" became priced in.

The chart doesn't excite me. I have nothing to do in BTC from a classical charting perspective. As a long-time bitcoiner, I like buying \$80K bitcoin, but I NEVER make a trade without a stop-loss. I'm comfortable **waiting for a sign of strength**.



I'll cover more A.I., technology, commodities, crypto, and especially healthcare in the next report.

Share ChartWizards with someone today.

Thank you for reading, and Happy [almost] New Year!

#JK

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NOT FINANCIAL ADVICE. DO YOUR OWN RESEARCH.